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NURTURING WEALTH CREATOR SERIES

CRM and the moments of truth

By Gururaj H. Kidiyoor



The new buzzword in the corporate world is CRM (Customer Relationship Management, for the commoner). Broadly speaking, CRM implies acquiring customers and then developing, enhancing and retaining mutually beneficial relationships with them.

The concept of CRM is not totally new; some CRM practices have existed in B2B markets for long. However, CRM has now assumed greater importance thanks to intense competition, narrowing cost gaps and commoditisation of products. Advances made in Information Technology, especially the Internet, have made it possible for firms to interact directly with individual customers even in mass markets. CRM is being touted as the most important tool in gaining an edge over competitors through in-depth understanding of customer needs and their buying habits. Companies are deploying large resources in CRM initiatives - employees are being trained, software is being purchased to facilitate the process and consultants are being hired for implementation.

However, during the moments of truth, when customer interaction really matters, companies seem to falter. The author was once

told by a credit card company that their department in-charge of payment receipts looks only at cheques or DDs and nothing else that accompanies the payment. The author, along with his payment had attached a letter requesting adjustment against accumulated points. It is quite amusing that a multinational credit card company ignores the inconvenience to customers who have to interact with multiple contact points. Or take the example of an automobile company with a wide network of service centers. What happens when your car door gets jammed on a Saturday evening? The answer I got was, "Oh sir, it is almost 7.00 p.m., our closing time, and we are not open tomorrow. Had the problem occurred earlier, we could have attended

to it". Well, how can anyone expect a car to know about the service center timings and fail accordingly?

A friend of mine, considering an exchange of his old fridge with a new one, walked into a road show hosted by a multinational company. Briefed by the dealer on the new refrigerator models on display, he was promised a visit by the dealer at his house to evaluate his old fridge. My friend stayed home the next day, expecting the valuator who never turned up. Simply livid, later he made a call to the dealer and was rudely told that there was a misunderstanding. My friend eventually purchased a refrigerator of some other make.

Now what does it take for one department of a credit card company to forward customer communications to another department? How costly is it for an automobile service center to extend its working hours by 15 minutes to one single customer on one single day, given the following day is a Sunday? Or how expensive is it for the sole distributor of a multinational company to offer apologies to an irate customer?

Experiences of individual customers have an impact on how the relationships are perceived and valued.

What is being stressed upon here is that Customer Relationship Management is not merely spending huge amounts on training the staff and net-enabling the

processes. The bottom line of CRM is how firms act during those moments of truth, which determine whether a customer is going to stick on with them or not. Experiences of individual customers have an impact on how the relationships are perceived and valued. Therefore a company employing CRM can never afford to overlook things that are relatively small but very important. These do not require great technology and do not involve high investments; all that is required is a bit of common sense and a lot of empathy towards the customers.

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